Public Service Commission of Canada

2006-2007 Estimates

Report on Plans and Priorities

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Public Service Commission of Canada
2006-2007 Report on Plans and Priorities

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SECTION I - OVERVIEW

PRESIDENT'S MESSAGE

I am pleased to present the Public Service Commission's (PSC) Report on Plans and Priorities (RPP) for 2006-2007.

Under the new *Public Service Employment Act* (PSEA), which came into effect on December 31, 2005, the PSC's mandate for oversight of a more flexible, delegated appointment system has been enhanced. This Report provides Parliament with comprehensive, accurate information about the PSC's plans and priorities related to that mandate, the challenges presented by the internal and external environments, the work to be done over the planning period, the strategies we will adopt to do that work, and the resources, both human and financial, we will need.

The PSC's strategic outcome remains constant: to ensure that Canadians continue to benefit from a highly competent, non-partisan and representative public service, able to provide services in both official languages.

To that end, our priorities for the planning period are:

- to fully implement the new *Public Service Employment Act* (PSEA) and solidify the PSC's independence;
- to provide recruitment and assessment services that respond to the needs of delegated managers and Canadians;
- to ensure proper oversight and accountability to Parliament; and
- to become a model organization in financial and human resources management.

We will build on the leadership role we have already established in helping departments and agencies prepare for the implementation of the PSEA. The high-level framework of policies, tools and guides that we have developed over the past year has set out our expectations for the staffing system that departments and agencies are creating to meet their individual needs.

To balance the flexibilities offered by the new PSEA, we have adopted a more rigorous audit and investigation role, re-written delegation instruments and established a Staffing Management and Accountability Framework. This accountability regime will allow us to monitor performance, make recommendations to deputy heads, and take any necessary corrective actions up to and including revocation of delegated authorities. We will continue to report to Parliament on our oversight responsibilities in our annual report and audit reports.

To further safeguard the non-partisanship of the public service, the PSC has established a new political activities regime aimed at balancing the right of public servants to participate in the political process with the need to preserve the impartiality of the public service.

Over the planning period we will continue to prepare guidelines to help employees make decisions about their involvement in general political activities. As we have in the past, we will provide guidance through policy and regulations. We will monitor the effectiveness of the new political activities regime, and make any required adjustments.

Our Staffing and Assessment Services Branch (formerly known as the Services Branch) will remain under the PSC umbrella for the foreseeable future. The Branch will be treated as an independent business unit. To ensure the integrity of the PSC's independent oversight mandate, it is necessary to clearly articulate the delineation between our oversight and service delivery roles.

The new PSEA gives departments and agencies the option of choosing any qualified service provider. The Staffing and Assessment Services Branch aims to become the provider of choice for federal organizations in need of key staffing services. The PSC's experience in public service recruitment, executive resourcing and assessment has made us a centre of expertise, and we are well positioned to help organizations take full advantage of the staffing flexibilities offered by the new Act. The Staffing and Assessment Services Branch is working to establish service standards that will ensure the highest level of client support, and will continue to review its services to ensure they maintain their excellence.

If we are to effectively discharge our mandate, the PSC's objectivity must be beyond question. Over the planning period, we will work to solidify our independence and clarify our status as a unique agency reporting to Parliament. We will press for a more independent and objective funding process — one which will help us avoid the conflict inherent in conducting oversight of the organization that approves our budget. We understand that with greater independence comes increased accountability. We will look at ways of aligning our management practices with those of Agents of Parliament, beginning with the preparation of audited financial statements and the establishment of a new internal audit and evaluation committee that involves independent outside members. We will publish our financial statements and will continue to share the results of our internal audits with parliamentarians through our departmental performance report and web site.

Finally, throughout the planning period we will endeavour to be a model employer through enhanced financial and human resources management practices. We will continue to respect the needs and concerns of our employees as we work to meet our obligations under the new PSEA.

MANAGEMENT REPRESENTATION STATEMENT

I submit for tabling in Parliament, the 2006-2007 Report on Plans and Priorities (RPP) for the Public Service Commission (PSC).

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- It is based on the department's approved 2006-2007 Program Activity Architecture structure as reflected in its Management Resources and Results Structure (MRRS);
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results to be achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the TBS.

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Maria Barrados, PhD
President
July 21, 2006

SUMMARY INFORMATION

Mission, Vision and Values - Striving for Excellence

The Public Service Commission (PSC) is dedicated to building a Public Service that strives for excellence. We protect merit, non-partisanship, representativeness and the use of both official languages.

We safeguard the integrity of staffing in the public service and the political impartiality of public servants. We develop policies and guidance for public service managers and hold them accountable for their staffing decisions. We conduct audits and investigations to confirm the effectiveness of the staffing system and to make improvements. As an independent agency, we report our results to Parliament.

We recruit talented Canadians to the public service, drawn from across the country. We continually renew our recruitment services to meet the needs of a modern and innovative public service.

Values to Guide our Actions

In serving Parliament and Canadians, we are guided by and proudly adhere to the following values:

- **INTEGRITY** in our actions;
- **FAIRNESS** in our decisions;
- **RESPECT** in our relationships; and
- **TRANSPARENCY** in our communication.

Financial and Human Resources

Financial Resources ($ thousands)

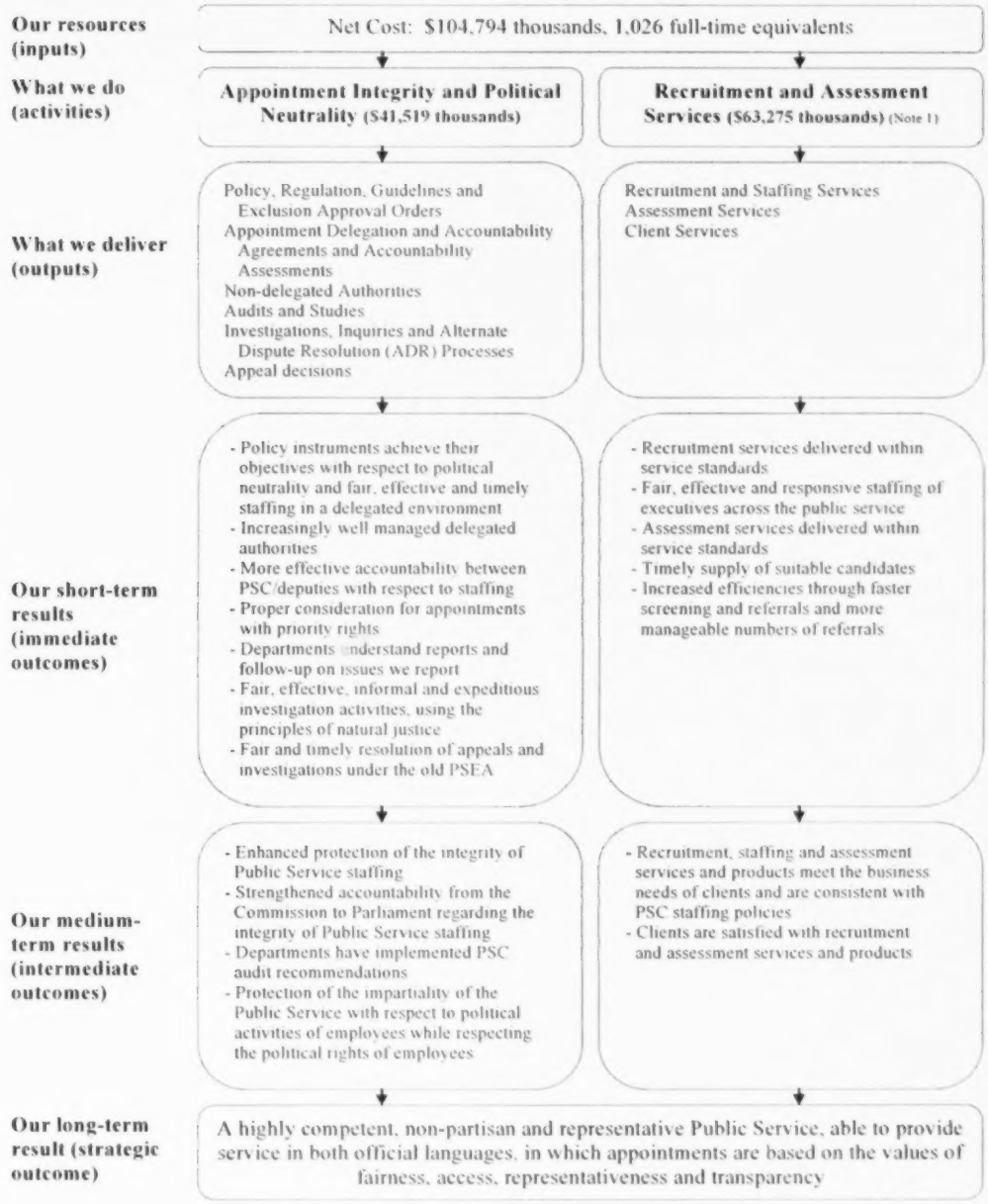
2006-2007	2007-2008	2008-2009
104,794	97,439	96,882

Human Resources (Full-Time Equivalents)

2006-2007	2007-2008	2008-2009
1,026	1,055	1,057

PSC's Results Chain

The following PSC Results Chain links what we deliver to our long-term result or strategic outcome.


Our resources (inputs)
Net Cost: $104,794 thousands, 1,026 full-time equivalents
What we do (activities)
Appointment Integrity and Political Neutrality ($41,519 thousands)
Recruitment and Assessment Services ($63,275 thousands) (Note 1)
What we deliver (outputs)
Policy, Regulation, Guidelines and Exclusion Approval Orders
Appointment Delegation and Accountability Agreements and Accountability Assessments
Non-delegated Authorities
Audits and Studies
Investigations, Inquiries and Alternate Dispute Resolution (ADR) Processes
Appeal decisions
Recruitment and Staffing Services
Assessment Services
Client Services
Our short-term results (immediate outcomes)
- Policy instruments achieve their objectives with respect to political neutrality and fair, effective and timely staffing in a delegated environment
- Increasingly well managed delegated authorities
- More effective accountability between PSC/deputies with respect to staffing
- Proper consideration for appointments with priority rights
- Departments understand reports and follow-up on issues we report
- Fair, effective, informal and expeditious investigation activities, using the principles of natural justice
- Fair and timely resolution of appeals and investigations under the old PSEA
- Recruitment services delivered within service standards
- Fair, effective and responsive staffing of executives across the public service
- Assessment services delivered within service standards
- Timely supply of suitable candidates
- Increased efficiencies through faster screening and referrals and more manageable numbers of referrals
Our medium-term results (intermediate outcomes)
- Enhanced protection of the integrity of Public Service staffing
- Strengthened accountability from the Commission to Parliament regarding the integrity of Public Service staffing
- Departments have implemented PSC audit recommendations
- Protection of the impartiality of the Public Service with respect to political activities of employees while respecting the political rights of employees
- Recruitment, staffing and assessment services and products meet the business needs of clients and are consistent with PSC staffing policies
- Clients are satisfied with recruitment and assessment services and products
Our long-term result (strategic outcome)
A highly competent, non-partisan and representative Public Service, able to provide service in both official languages, in which appointments are based on the values of fairness, access, representativeness and transparency

Note 1: Includes sunset funding of $12,737 thousands from TB for the deployment of PSRS to departments, and temporary internal reallocations of $1,600 thousand for the business transformation project in Services Branch and $1,340 thousand for employees at-risk resulting from the closure of regional offices.

Supporting the Government of Canada's Outcomes

The PSC's strategic outcome of providing Canadians with a highly competent, non-partisan and representative public service fully supports the Government of Canada's outcomes, as outlined in *Canada's Performance 2005* (http://www.tbs-sct.gc.ca/). The PSC is a key player in strengthening and modernizing public sector management through its oversight and service delivery roles.

The PSC oversees the appointment system through various mechanisms, such as the monitoring of appointment delegations, audits and investigations. It reports annually to Parliament.

We are also adapting our products and services to ensure that departments and agencies continue to have access to professional recruitment and assessment services.

We are actively working to provide improved on-line staffing tools so that all Canadians have access to employment opportunities in the public service.

Finally, through its programs and services, the PSC directly contributes to the Government of Canada's outcomes of fostering an inclusive society that promotes linguistic duality and diversity. It does so by ensuring that the federal government's human resources policies protect merit, non-partisanship, representativeness and the use of both official languages.

PLANNING OVERVIEW

Operating Environment

The new *Public Service Employment Act* (PSEA), part of the *Public Service Modernization Act* (PSMA), came into force on December 31, 2005. The new legislation gives the PSC an enhanced mandate to oversee a more flexible, delegated appointment system that continues to be based on merit and non-partisanship. It reinforces a values-based approach to staffing that incorporates the concepts of efficiency and long-term planning.

This new direction is intended to ensure that Canadians continue to benefit from a highly competent, non-partisan and representative public service, able to serve the public in both official languages. The new PSEA gives managers more flexibility to staff, manage and lead their personnel, enabling them to achieve results for Canadians. At the same time, managers are expected to base their appointment decisions on the values of fairness, access and transparency, and they will be held accountable for their decisions.

In preparation for the current planning exercise, the PSC assessed its key challenges and risks through an executive team retreat held in November, 2005, and through the deliberations of our Executive Management Committee. These are summarized in the next section and are more fully described in the PSC corporate risk profile in Section IV. The PSC's four main priorities in responding to these challenges and risks are identified below.

The PSC will continue to be a key player in helping departments and agencies fully implement the terms of the new PSEA. We have already made deputies aware of our expectations through an appointment framework of policies and delegation and accountability instruments that set out core principles and values they must incorporate into their own approaches to staffing.

While the PSC continues to have the authority to make appointments to and within the public service, the new Act encourages further delegation to deputy heads and through them, to managers. We have signed new delegation agreements with departments and agencies that identify the conditions for delegation and the results to be achieved. As a counterbalance to increased flexibility, a continuum of accountability mechanisms and oversight tools will determine whether deputy heads are exercising their delegated authorities properly.

In particular, we have established a Staffing Management Accountability Framework to set out expectations, monitor results and provide feedback and recommendations. We have also adopted a more rigorous audit and investigation role to ensure that the appointment system is based on integrity and that it meets the needs of Canadians. Where warranted, we will take corrective action, up to and including withdrawal of delegated authorities.

To further safeguard non-partisanship, the PSC has established a new political activities regime aimed at balancing the rights of public servants to participate in the political process, with the need to preserve the impartiality of the public service. Under the new regime, the PSC may investigate allegations of improper political conduct by public servants.

To respond to the needs of delegated managers and Canadians in the new PSEA environment, the PSC will continue to provide high quality recruitment and assessment services. Our aim is to become the provider of choice for departments and agencies seeking to obtain recruitment, staffing and assessment services which fully respect public service values. Clarifying and implementing an overall service vision will also be an ongoing priority.

Finally, we will continue to review our existing governance structures, and will work to increase the representativeness of the Commission. We will also establish review mechanisms to assure Canadians that we are acting with integrity for the public good.

Impact of Budget 2005

The PSC continues to reorganize its operations and reallocate funds in order to focus more strongly on its oversight mandate and meet the Expenditure Management Review (EMR) commitments. In keeping with these commitments, which were accepted by the Expenditure Review Committee (ERC), a total of $4.6M (including the Employee Benefits Plan) over a three-year period is being reallocated from Recruitment and Assessment Services and Corporate Services to expand the PSC's audit function, enhance the priority system and meet other statutory obligations under the new PSEA.

On July 26, 2005, the PSC announced the consolidation of 16 points of service into seven regional locations. This consolidation is being implemented and will allow the PSC to increase the efficiency of its operations, reallocate resources to priority needs, and put in place the bilingual recruitment and assessment services required under the new PSEA.

The PSC supports the government's Procurement and Expenditure Transformation initiative. The procurement savings target attributed to the PSC for 2006-2007 is estimated at $460K, based on historical spending practices. The PSC continues to work with the Treasury Board Secretariat and Public Works and Government Services Canada to review the future target according to the current spending pattern, based on our new mandate.

KEY PSC CHALLENGES AND RISKS

The challenges and risks facing the PSC emerge from both the external and internal environments. They are detailed in Section IV under Corporate Risk Profile and Challenges and briefly described below.

First, there is insufficient capacity in the human resources (HR) community and insufficient engagement from line managers to take full advantage of the flexibilities and opportunities offered by the new PSEA. The lack of skilled HR specialists, together with managers' competing priorities, inhibiting their ability to take on expanded staffing roles, will require the PSC to continue to offer guidance and support during the transition to full PSEA implementation.

Making accountability work in a delegated staffing system presents a second risk. Uneven departmental and agency implementation of, and compliance with, accountability requirements will weaken assurance of adherence to the staffing values and affect the PSC's accountability to Parliament. Strategies to mitigate this risk will ensure that managers understand the values, undertake HR planning, and address the PSC's expectations with regard to staffing.

We face a challenge in responding to the growing needs of clients for state-of-the-art recruitment and assessment services. A new PSC service vision is required, together with standardized service levels and innovative programs. There is also the potential for delay in implementing the PSC's e-resourcing technology aimed at re-engineering staffing and recruitment processes. This could, in turn, slow the implementation of the new national area of selection policy. Support for e-resourcing technology must be maintained both internally and externally.

A challenge for the PSC will be to clearly align and communicate our multiple roles in the staffing system as monitor, auditor, investigator, interpreter and service provider. We will also need to coordinate, to the greatest extent possible, our accountability mechanisms and oversight tools.

Obtaining independent funding approval is a challenge, but is key to ensuring that the PSC is perceived as a unique independent organization. The PSC will pursue its discussions with Parliament and TBS to obtain a new funding mechanism. For the purpose of improved budgeting and forecasting, it is a challenge to realign resources with planned activities and priorities, and to obtain authority to cost recover and to respend revenue in a timely manner. This could prevent optimal resource allocation and budget utilization in 2006-2007. Strategies will focus on the continued implementation of zero-based budgeting and improved financial forecasting.

Finally, ineffective succession planning and human resources strategies could lead to a lack of qualified personnel to meet the PSC's leadership and other resourcing needs. Strategies will include developing more rigorous, corporate HR planning processes and building staff capacity and competencies in critical new PSEA areas.

PSC's Priorities

Priorities	Type of Priority	Planned Spending ($ thousands) 2006-2007	2007-2008	2008-2009
I. Fully implement the new PSEA and solidify the PSC's independence	Previously committed	7,122	7,412	7,412
Expected Results/Plans: See page 22				
II. Provide recruitment and assessment services that respond to the needs of delegated managers and Canadians	Previously committed	63,275	55,058	54,501
Expected Results/Plans: See pages 29-31				
III. Ensure proper oversight and accountability to Parliament	New Priority	34,397	34,969	34,969
Expected Results/Plans: See pages 23-26				
IV. Become a model organization in human and financial resources management	New Priority	—	—	—
Expected Results/Plans: See pages 32-34				
	Total	104,794	97,439	96,882

Corporate Services' planned spending has been allocated to Priorities I, II and III. All PSC branches contribute to Priority IV; therefore, no separate costing was provided.

The detailed financial information presented in Section II includes the allocation of corporate services' costs, estimated at $29,312K for 2006-2007. These costs include functions related to the President and commissioners' office ($1,017K), corporate secretariat ($1,086K) finance, administration and corporate planning ($7,741K), human resources management ($4,745K), information technology ($8,794K), communications and outreach ($3,652K), library services ($808K), legal services ($887K) and internal audit and evaluation ($582K).

The basis of allocation of corporate services' costs is currently under review as we develop a new costing model for our cost recovery activities.

Priority I - Fully implement the new PSEA and solidify the PSC's independence

The coming into force of the new PSEA is only the beginning of a major transformation of how positions are staffed in the public service. We are embarking on a major cultural change that requires all players within the human resources management system to be fully engaged. The commitment of delegated public service managers, as well as the support they receive from human resources specialists, are therefore critical to the success of the initiative.

Throughout the transition to a fully modernized regime, the PSC will continue to offer support and guidance to departments and agencies to help them take full advantage of the new flexibilities. We will continue to provide information sessions, as well as develop guides and tools pertinent to the new Act. We will also test the knowledge of human resources professionals, to ensure that they are sufficiently familiar with the appointment framework to assist managers in assuming their new responsibilities.

As departments and agencies become more knowledgeable about staffing under the new PSEA, the PSC will increasingly focus on its oversight mandate and our accountability to Parliament for ensuring that appointments to and within the public service are made fairly and impartially.

As indicated above, the new PSEA provides the PSC with the appointment authority for hiring to and within the public service. We may develop policies and take actions to protect that authority. Nevertheless, we are accountable to Parliament for the impact these actions have on the staffing system.

To better fulfill our obligations, the PSC must not only be seen to be independent, but must also function in the most independent manner possible. We have studied this issue. We will seek to reinforce our credibility by solidifying our independence and clarifying our standing as a unique, independent agency. In particular, we will press for more independent funding arrangements similar to those under study for Agents of Parliament. We will also enhance and align our management practices with those of Agents of Parliament, beginning with preparing audited financial statements and introducing independent outside members on the Internal Audit and Evaluation Committee. We will continue to strengthen our external and parliamentary communications to help parliamentarians understand the PSC role and mandate and engage them in discussing staffing issues.

Priority II - Provide recruitment and assessment services that respond to the needs of delegated managers and Canadians

The PSC will continue to focus on modernizing its recruitment and assessment programs and standardizing its service levels to ensure the highest quality of service across Canada. It will also strengthen its capacity to respond to changing client needs. This will include offering a wide range of services, including executive (EX) resourcing services, to departments and agencies in support of their newly delegated authorities.

The PSC also plays a leading role in assessment, continues to manage national recruitment

programs such as Post-Secondary Recruitment, and offers tailored recruitment services. Deputy heads will be able to choose from a variety of options to meet their recruitment and assessment needs. Through this priority, we will ensure that Canadians, departments and public servants benefit from a full range of quality staffing services that make the public service an employer of choice while respecting key values.

The PSC will continue to provide a common portal for Canadians to access public service jobs. We will also further enhance our e-resourcing technology to manage increased volumes of job applications, thereby improving access to public service job opportunities for all Canadians. In support of this objective, the PSC reaffirms its commitment to the implementation of national area of selection (NAoS) for officer-level positions open to the public in the National Capital Region as of April 1, 2006.

One of the outcomes of the PSMA was to clearly distinguish between the PSC's service role and its independent oversight role. The Staffing and Assessment Services Branch[1] will remain under the PSC and continue to operate as a separate and distinct organization. To assure the integrity of the PSC's independent mandate, we will need to clearly articulate the delineation between the oversight and service roles of the PSC.

Priority III - Ensure proper oversight and accountability to Parliament

The PSC has been entrusted under the new Act with ensuring that staffing respects key public service values. Over the planning period, we will continue to strengthen our approach to oversight to respond to the heightened accountability requirements pursuant to the new PSEA. We will rely in particular on more effective accountability mechanisms and oversight tools, including monitoring, audits and investigations, to detect problems early and take appropriate corrective measures.

More specifically, the PSC's new Staffing Management Accountability Framework will help determine whether deputy heads are exercising their delegated authorities properly, whether they are adhering to the values and whether the system overall is operating effectively. We will monitor and assess departmental staffing performance and provide feedback to deputy heads so that they can take action to improve their appointment processes.

As part of a multi-year plan to build its audit capacity, the PSC plans to hire more auditors, further develop its HR audit expertise, and produce more audit reports. These reports will focus both on public service-wide issues, such as EX acting appointments and the student hiring, as well as on the staffing activities of individual organizations.

The PSC will also pursue statistical studies that analyze and assess staffing and hiring issues, useful in supporting our oversight activities. As well, work will begin on an evaluation framework for identifying the issues to be addressed during the five-year review of the new PSEA.

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[1] *Formerly known as the Services Branch prior to June 12th 2006*

The PSC will be ready to conduct investigations into improper political activities, external staffing, political partisanship and fraud as well as, in certain circumstances, complaints of staffing irregularities.

In the case of the new recourse regime introduced under the PSMA, the PSC will help departments develop their own internal, values-based approaches aimed at resolving staffing-related complaints early and informally. We will also make our investigation services available to deputy heads. As well, we will exercise our statutory entitlement to be heard by the new Public Service Staffing Tribunal, when we consider it necessary to safeguard the integrity of appointments in the public service.

We have also introduced a new policy and regulatory regime that will balance the rights of employees to engage in political activities with the need to maintain the political impartiality of the public service.

We recognize that accountability for the integrity of the appointment process flows from deputy heads to the PSC and, in turn, from the PSC to Parliament. Above all, we will fulfill our responsibility to protect the integrity of the appointment process for the benefit of Canadians.

Priority IV - Become a model organization in human and financial resources management

The new PSEA modified the PSC's composition, roles and responsibilities. The structure of the newly constituted Commission currently comprises the President as full-time Chief Executive Officer, and two part-time commissioners. The Act allows for the appointment of two or more part-time commissioners and, over the current planning period, we hope to have the representativeness of the Commission improved through the appointment of additional part-time commissioners.

The PSC's budget is determined by the Treasury Board, one of the organizations we audit. Like other independent organizations, the PSC is taking steps to obtain a more independent funding approval process to protect our independence and ensure our budget is appropriate to meet Parliament's expectations. With more independence comes a higher expectation of accountability and assurance on how funds are administered. The PSC will, therefore, continue to improve its budgeting and human resources management and planning processes and align them with those of Agents of Parliament, beginning with the preparation of audited financial statements and the introduction of independent outside members on the Internal Audit and Evaluation Committee.

The PSC is looking at ways to increase the efficiency and effectiveness of its operations. Through its resource allocation process, we will continue to internally reallocate resources to address priority needs. The renewed emphasis on human resources planning will include concrete measures to proactively manage corporate succession challenges, including knowledge retention.

The current planning period will remain one of significant change for the PSC and its employees. The PSC as an organization needs to adapt to the new PSEA, and mandatory training for managers and staff alike will continue. There will be some overlap between the old and new PSEA in areas like appeals that were begun under the old PSEA; internal capacity will need to be maintained.

We will also strive to be a model employer, adhering to the best practices in human resources management. We will continue to value the needs and concerns of our employees during the transition to the governance and organizational structures that best meet our obligations under the new PSEA.

SECTION II - DETAILED ANALYSIS BY PROGRAM ACTIVITY

STRATEGIC OUTCOME

> A highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of fairness, access, representativeness and transparency.

The Public Service Commission (PSC) contributes to the achievement of this strategic outcome by helping to ensure staffing that respects merit is carried out across the public service. This is achieved when staffing activities adhere to the values of merit, non-partisanship, fairness, access and transparency.

The following performance indicator was identified to monitor the achievement of the PSC's strategic outcome.

PERFORMANCE INDICATOR	STRATEGY, TARGET & REPORTING FREQUENCY
Percentage of small, medium and large departments or agencies with fully satisfactory or better rating of staffing performance with respect to public service-wide staffing values and management principles.	**Performance Measurement Strategy:** In 2006-2007, the PSC will report on progress towards the development of tools and mechanisms to measure departmental staffing performance. **Target:** To be determined after one year of baseline data. **Reporting Frequency:** Annual

The PSC identified two program activities to contribute to the achievement of the strategic outcome.

The first activity, *Appointment Integrity and Political Neutrality*, is aimed at ensuring that the appropriate policies, procedures, incentives and controls are in place to protect the integrity of the public service staffing system, including protecting the impartiality of the public service with respect to the political activities of employees. The second activity, *Recruitment and Assessment Services*, provides both mandatory and optional recruitment and resourcing services to departmental clients, in accordance with the policy framework developed by the PSC. This activity ensures that services and products are consistent with staffing policies and that clients are satisfied.

In June 2006, a new Program Activity Architecture (PAA) was approved. It provides clarification of PSC responsibilities under the new PSEA. The new PAA will be reflected in our 2007-2008 Report on Plans and Priorities and Departmental Performance Report. The primary change to the PAA is the creation of a new Program Activity, *Oversight of Integrity of Staffing and Political Neutrality*, that includes PSC monitoring of delegated authorities, audits, studies and evaluation and investigations and early resolution mechanisms. This new Program Activity presents a clear delineation between the PSC's policy and oversight functions.

Program Activity 1 - Appointment Integrity and Political Neutrality

Program Activity Description

The Appointment Integrity and Political Neutrality activity develops, maintains and monitors the implementation of a policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes establishing policies and standards, delegation and oversight of appointment authorities to departments and agencies, and administering non-delegated authorities such as priority administration. This activity also includes conducting audits, studies, investigations and inquiries, as well as administering the appeal process under the former *Public Service Employment Act* and reporting to Parliament on the integrity of public service staffing.

Program Activity 1 - Appointment Integrity and Political Neutrality: supports priority I - Fully implement the new PSEA and solidify the PSC's independence; and priority III - Ensure proper oversight and accountability to Parliament.

In order to ensure that this program activity is on track, the following expected results and performance indicators have been established.

EXPECTED RESULTS	PERFORMANCE INDICATORS
Enhanced protection of the integrity of public service staffing.	Percentage of small, medium and large departments or agencies with fully satisfactory or better rating of staffing performance with respect to staffing management and expectations for a well-managed staffing system. **Performance Measurement Strategy:** In 2006-2007, the PSC will report on progress towards the development of tools and mechanisms to measure departmental staffing performance. **Target:** To be determined after one year of baseline data. **Reporting Frequency:** Annual

Strengthened accountability from the Commission to Parliament regarding the integrity of public service staffing.	The number of potential PSC appearances before parliamentary committees measured against the number of actual appearances. **Performance Measurement Strategies:** • determine the number of potential PSC appearances before parliamentary committees; and • analyze the number and results of actual appearances compared to potential PSC appearances. **Target:** To be determined after one year of baseline data. **Reporting Frequency:** Annual Number of committee hearings on PSC issues. **Performance Measurement Strategy:** • determine the number of times the PSC has appeared before parliamentary committees during the reporting period. **Target:** Increase over previous year. **Reporting Frequency:** Annual
Departments have implemented PSC audit recommendations.	Percentage of audit recommendations implemented. **Performance Measurement Strategy:** • develop and implement formal reports and follow-up mechanisms and plan. **Target:** To be determined after a year cycle. **Reporting Frequency:** Annual
Protection of the impartiality of the public service with respect to political activities of employees while respecting the political rights of employees.	Study findings of the effectiveness of policies, procedures and decisions related to the political activities of public service employees. **Performance Measurement Strategy:** • develop and implement an evaluation framework and plan. **Target:** Satisfactory study findings. **Reporting Frequency:** Every three-to-five years, or timed to coincide with the five-year review of the new PSEA.

Related Resources (Note 1)

RESOURCES	2006-2007	2007-2008	2008-2009
Financial ($ thousands)	41,519	42,381	42,381
FTE	392	435	435

Note 1: Resources exclude funding for EX-Resourcing Services ($5,744K for 2006-2007 and $6,803K for each of 2007-2008 and 2008-2009) that are presented under Program Activity 1 - Appointment Integrity and Political Neutrality in the Main Estimates. These funds are reflected under Program Activity 2 - Recruitment and Assessment Services in the RPP. The 2007-2008 and 2008-2009 figures also reflect internal reallocations pertaining to the audit function.

To achieve the expected results of **Program Activity 1**, the PSC will focus, over the three-year planning period, on the following key programs and services, expected results, performance indicators and plans:

Policy, Regulation, Guidelines and Exclusion Approval Orders (EAO)

EXPECTED RESULT & PERFORMANCE INDICATOR	PLANS
Expected Result: Policy instruments achieve their objectives with respect to political neutrality and fair, effective and timely staffing in a delegated environment. **Performance indicator:** Study findings of the effectiveness of selected policy areas, procedures and decisions including political activities. **Performance Measurement Strategy:** • develop and implement the evaluation plan. **Target:** Satisfactory study findings. **Reporting Frequency:** Annual, at least one policy instrument assessed each year.	• Provide continuous support to departments and agencies through advice, interpretation, guidance, and sharing of best practices; • Refine PSC policy instruments, regulations, guidelines and EAOs related to appointments and political activities and review or develop new instruments, guidance and tools as required; • Support implementation of National Area of Selection (NAoS) and assess/report on the impact; • Review Public Service Staffing Tribunal (PSST) complaints and intervene where appropriate, as well as disseminate lessons learned; • Review Governor in Council Designation Order for organizations participating in internal nomination processes; develop and implement an approach for deployments from separate agencies; • Provide advice on the right of public servants to engage in political activities while maintaining the impartiality of the public service; and assess candidacy requests of public servants; • Develop future-oriented vision for the PSC as an independent agency reporting to Parliament; • Contribute to the parliamentary review of the *Employment Equity Act*; and • Contribute to PSC position for five- year parliamentary review of PSEA.

Related Financial Resources ($ thousands)

2006-2007	2007-2008	2008-2009
7,122	7,412	7,412

Appointment Delegation and Accountability Agreements and Accountability Assessments

EXPECTED RESULTS & PERFORMANCE INDICATORS	PLANS
Expected Result 1: Increasingly well managed delegated authorities. **Performance indicator:** Number of delegations restricted or removed by the PSC. **Performance Measurement Strategy:** • develop process to restrict or revoke delegation. **Target:** Decrease from number in previous year. **Reporting Frequency:** Annual	• Perform regular reviews of all Appointment Delegation and Accountability Agreements (ADAI) signed with departments and agencies (approximately 80) to ensure deputy heads are properly exercising their delegated legal authorities; revise, modify or restrict ADAIs as appropriate.
Expected Result 2: More effective accountability between the PSC and deputies with respect to staffing. **Performance indicator:** Number of departments fully meeting staffing reporting requirements. **Performance Measurement Strategies:** • assess reporting (completeness, consistency, and reliability); and • establish quality control process to ensure the integrity and objectivity of the assessment process. **Target:** Annual target to be determined based on an increase of at least one fully satisfactory department/agency compared to previous year results; the longer-term target is 100%. **Reporting frequency:** Annual	• Refine and modify tools and products (guides, policies, interpretation support) required to support delegated organizations to ensure departments and agencies have the necessary information to legally manage their staffing authorities; and • Monitor the delegation of PSC authorities to approximately 80 organizations through the implementation of integrated risk management strategy which includes active monitoring, information gathering and reporting; put in place remedial measures when non-compliance occurs.

Related Financial Resources ($ thousands)

2006-2007	2007-2008	2008-2009
8,594	9,963	9,963

Non-Delegated Authorities

EXPECTED RESULTS & PERFORMANCE INDICATOR	PLANS
Expected Result : Proper consideration for appointments with priority rights. **Performance indicator:** Percentage of individuals with priority rights appointed. **Performance Measurement Strategy:** • collect data from the system. **Target:** Increase over previous year. **Reporting frequency:** Annual	• Oversee the priority entitlements process to ensure the integrity of non-delegated Ministers' staff and Governor General's Office appointments: ‣ determine whether exempt staff in Ministers' offices and the Office of the Governor General's Secretary meet the criteria to receive priority entitlement, as set out in legislation. • Oversee priority entitlements process to ensure departments and agencies respect legislation, policies and delegated authorities: ‣ monitor 30,000 to 40,000 staffing processes where priorities must be considered; and ‣ verify entitlements for 1,000 or more priority persons and ensure they are informed of their rights and obligations. • Monitor the application of the Official Languages Exclusion Approval Order (OLEAO): ‣ monitor data and cases of 70 or more departments on their use of the OLEAO's provisions for extensions; and ‣ grant exclusions under the OLEAO according to accepted criteria.

Related Financial Resources ($ thousands) (Note 1)

2006-2007	2007-2008	2008-2009
4,241	2,885	2,885

Note 1: Resources exclude funding for EX-Resourcing Services ($5,744K for 2006-2007 and $6,803K for each of 2007-2008 and 2008-2009) that are presented under Program Activity 1 - Appointment Integrity and Political Neutrality in the Main Estimates. These funds are reflected under Program Activity 2 - Recruitment and Assessment Services in the RPP.

Audits and Studies

EXPECTED RESULT & PERFORMANCE INDICATOR	PLANS
Expected Result : Departments understand reports, and follow up on issues we report. **Performance indicator:** Percentage of audit recommendations accepted. **Performance Measurement Strategy:** • develop and implement formal reports and follow-up mechanisms and plan. **Target:** To be determined after a year cycle. **Reporting frequency:** Annual	• Perform independent audits and studies that are relevant and meet quality assurance standards (approximately six audits and two studies per year); • Build the capacity of the audit function by continuing to establish audit processes and methodology, by strengthening a risk-based planning system for the selection of audits and studies, and by establishing a human resources plan including recruitment and learning strategies; • Support the longer-term planning of audits and studies by developing an evaluation framework for the five-year review of the new PSEA; • Establish an independent audit advisory committee comprised of senior external experts to review audit plans and findings; and • Provide appointment data and analysis and maintain related information system to support the PSC's oversight role and the information needs of department and agencies.

Related Financial Resources ($ thousands)

2006-2007	2007-2008	2008-2009
11,798	12,396	12,396

Investigations, Appeals, Inquiries and Alternate Dispute Resolution (ADR) Processes

EXPECTED RESULTS & PERFORMANCE INDICATORS	PLANS
Expected Result 1: Fair, effective, informal and expeditious investigation activities, using the principles of natural justice. **Performance indicator 1:** Study findings of the fairness, effectiveness, expediency and informal nature of investigation activities. **Performance Measurement Strategy:** • develop and implement an evaluation plan. **Target:** Satisfactory study findings. **Reporting frequency:** Annual	• Finalize the implementation of a new operational framework and process for investigations to enhance oversight capacity including policies, guidelines and procedures for the PSC mandated investigations, deputy head requested investigations and political activities investigations; • Continue building Investigations Branch capacity through developmental program, recruitment and knowledge transfer initiatives, as well as learning strategies;
Performance indicator 2: Percentage of investigation activities resolved through Alternative Dispute Resolution (ADR) processes, where appropriate. **Performance Measurement Strategy:** • collect data from the system. **Target:** Increase over previous year. **Reporting frequency:** Annual	• Conduct ADR processes for mandated investigations, where appropriate, under the new PSEA, as well as early interventions and mediation for appeals and investigations under the old PSEA; and • Conduct investigations under the new PSEA. (up to 700 requests for investigations each year)
Expected Result 2: Fair and timely resolution of appeals and investigations under the old PSEA. **Performance indicator:** Average completion time. **Performance Measurement Strategies:** • collect data from the system on disposal time of appeals; and • develop and implement service standards for investigations. **Target:** Improvement over previous year. **Reporting frequency:** Annual	• Continue to hear appeals and conduct investigations to complete the load of cases being received under the old PSEA. (average 3,000 appeals under the old PSEA)

Related Financial Resources ($ thousands)

2006-2007	2007-2008	2008-2009
9,764	9,725	9,725

Program Activity 2 - Recruitment and Assessment Services

Program Activity Description

The Recruitment and Assessment Services activity develops and maintains the resourcing systems that link Canadians and public servants seeking employment opportunities in the federal public service with hiring departments and agencies. It provides assessment-related products and services in the form of research and development, consultation, assessment operations and counselling for use in recruitment, selection and development throughout the federal public service. This activity also includes delivering resourcing services, programs and products to departments and agencies, to Canadians and public servants, through client service units located across Canada.

Program Activity 2 – Recruitment and Assessment Services: supports priority II - Provide recruitment and assessment services that respond to the needs of delegated managers and Canadians.

The *Public Service Modernization Act* (PSMA) was fully implemented on December 31, 2005. The PSC is delivering services under the new PSEA while completing requests submitted under the old Act.

The 2006-2007 fiscal year will be characterized by a transformation in the way the PSC delivers its services under the new PSEA. The Public Service Resourcing System (PSRS), a Web-based automated external staffing tool, will be made available directly to selected departments and agencies. The PSC's transactional work will be complemented by an advisory role in order to maximize clients' use of the staffing flexibilities available under the new law. The National Area of Selection (NAoS), which provides access for Canadians across the country to federal public service jobs open to the public will begin in April 2006, with officer-level positions in the National Capital Region.

In 2007-2008, we will establish our resourcing standards for new products and services and establish a baseline for the subsequent year. We will continue to make PSRS available to other departments and agencies.

In order to ensure that this program activity is on track, the following expected results and performance indicators have been established.

EXPECTED RESULTS	PERFORMANCE INDICATORS
Recruitment, staffing and assessment services and products meet the business needs of clients and are consistent with the PSC staffing policies.	Study findings and client consultations results. **Performance measurement strategies:** • conduct client consultations to identify needs, or studies to identify markets. As standards for new products and services and client satisfaction surveys are implemented, measurement of client satisfaction. **Target:** Satisfactory study findings. **Reporting Frequency:** three-year cycle
Clients are satisfied with recruitment and staffing and assessment services and products.	Percentage of departmental clients satisfied or very satisfied overall with recruitment and assessment services. **Performance Measurement Strategies:** • review existing recruitment and assessment standards and communications to clients (2006-2007); • conduct client satisfaction surveys (2007-2008); and • establish resourcing service standards for new products and services and baseline for the subsequent year (2007-2008). **Target:** 85% **Reporting Frequency:** Annual

Related Resources

RESOURCES (Note 1)	2006-2007	2007-2008	2008-2009
Financial ($ thousands)	63,275	55,058	54,501
FTE	634	620	622

Note 1: The 2006-2007 financial resources include respendable revenue from assessment and counselling services in the amount of $6,000K as well as funding for continued work on PSRS. Resources include funding for EX Resourcing Services ($5,744K for 2006-2007 and $6,803K for each of 2007-2008 and 2008-2009) that are presented under Program Activity 1: Appointment Integrity and Political Neutrality, in the Main Estimates. The 2007-2008 and 2008-2009 figures also reflect internal reallocations pertaining to the audit function as well as additional funding for the PSRS ($5,383K in 2007-2008 and $5,037K in 2008-2009).

Work is currently under way to obtain continued authority to respend revenue and to secure funding for a long term government-wide e-resourcing solution.

To achieve the expected results of Program Activity 2, the PSC will focus, over the three-year planning period, on the following key programs and activities, expected results, performance indicators and plans:

Recruitment and Staffing Services (jobs posted, applications processed, candidates screened, and referrals made)

EXPECTED RESULTS & PERFORMANCE INDICATORS	PLANS
Expected Result 1: Recruitment services delivered within service standards. **Performance indicator:** Percentage of recruitment services delivered meeting service standards. **Performance Measurement Strategies:** • review existing service standards and communicate them to clients; conduct consultations with clients; and develop performance measurement tool to measure our standards (2006-2007); • develop, pre-test and implement a client satisfaction survey, and conduct client consultations (2007-2008); and • monitor standards and client satisfaction (2008-2009). **Target:** To be determined after one year of data collection. **Reporting frequency:** Annual	• Deliver high-quality general and corporate recruitment services, programs and products customized to the new PSEA to departments and agencies, Canadians and public servants, through client service units located across Canada. Corporate programs include the Federal Student Work Experience program, Post-Secondary Recruitment program and Research Affiliate program. (2006-2007 forecasted volume: 3,700 requests for corporate recruitment and 7,500 requests for general recruitment); • Provide delegated staffing and recruitment services to departments and agencies under new service agreements; and • Maximize opportunities under the new PSEA and conduct consultations with clients to facilitate the implementation of NAoS and the development of new products and services.
Expected Result 2: Fair, effective and responsive staffing of executives across the public service. **Performance indicator:** Service improvements resulting from client consultations. **Performance Measurement Strategy:** • conduct consultations with clients and adjust services based on results of consultations. **Target:** To be determined after one year of data collection.	• Provide executive staffing services to departments and agencies (2006-2007 forecasted volume: 500 executive staffing actions initiated and 450 executive staffing appointments); and • Conduct client consultations to assess needs and identify service improvements.

Related Financial Resources ($ thousands) (Note 1)

2006-2007	2007-2008	2008-2009
30,052	32,384	32,373

Note 1: Resources include funding for EX Resourcing Services ($5,744K for 2006-2007 and $6,803K for each of 2007-2008 and 2008-2009) that are presented under Program Activity 1: Appointment Integrity and Political Neutrality, in the Main Estimates.

Assessment Services (assessment tools, instruments and products)

EXPECTED RESULT & PERFORMANCE INDICATOR	PLANS
Expected Result: Assessment services delivered within service standards. **Performance indicator:** Percentage of assessment services delivered meeting service standards. **Performance Measurement Strategy:** • implement and monitor service standards and client satisfaction. **Target:** To be determined after one year of data collection. **Reporting frequency:** Annual	• Provide assessment-related development, operational, research and consultation services and products for use in recruitment, selection and development throughout the federal public service through appropriation and cost recovery. (2006-2007 forecasted volume: Testing: 115,000 tests administered, including 64,000 second language evaluations; Number of new products modified or developed: 30); • Develop and update instruments and procedures including Second Language Evaluation; • Establish an e-testing implementation strategy and priorities in 2006-2007 and stabilize e-testing operations in 2007-2008; and • Prepare a Treasury Board submission seeking continued authority to respend revenue beyond 2006-2007.

Related Financial Resources ($ thousands) (Note 1)

2006-2007	2007-2008	2008-2009
13,394	10,806	10,603

Note 1: The 2006-2007 financial resources include $6,000K in respendable revenue from Assessment and Counselling Services and Products. The PSC plans to seek continued authority to respend its revenue in future years.

Client Services (electronic resourcing systems, assessment systems and operational policies)

EXPECTED RESULTS & PERFORMANCE INDICATORS	PLANS
Expected Result 1: Timely supply of suitable candidates. **Performance indicator:** Average time to supply candidates. **Performance Measurement Strategy:** following the establishment of service standards, introduce qualitative candidate information in the client satisfaction surveys and collection of timeliness indicator from e-resourcing tool. **Target:** To be determined after one year of data collection. **Reporting frequency:** Annual	• Develop and implement new corporate recruitment programs to respond to client needs; • Perform external labour market analyses; and • Develop marketing strategies material, assess departmental and agency need and translate them into technological solutions.
Expected Result 2: Increased efficiencies through faster screening and referrals and more manageable numbers of referrals. **Performance indicators:** • Statistical evidence of faster screening and referrals; and • Statistical evidence of fewer referrals. **Performance Measurement Strategy:** • data collection from surveys and PSRS performance reports. **Target:** To be determined after one year of data collection. **Reporting frequency:** Annual	• Support implementation of e-resourcing to departments and agencies, aligned with the Government's agenda on Corporate Administrative Shared Services and HR modernization. (2006-2007: 12 federal departments will implement PSRS); and • Initiate the long-term government-wide e-resourcing project if buy-in, support and funding is available.

Related Financial Resources ($ thousands) (Note 1)

2006-2007	2007-2008	2008-2009
19,829	11,868	11,525

Note 1: The financial resources include funding for the deployment of PSRS to departments. Work is under way to secure funding for the long-term government-wide e-resourcing project.

Management Priorities

Striving for Management Excellence

The PSC is committed to modelling management and stewardship of its financial resources, proactively managing its strategic and operational risks, and building an environment that makes the most of the quality and dedication of its people.

Attaining excellence in the management of financial and human resources is key to gaining more flexibility for resource management. Transforming the way we manage our resources is critical if the PSC is to be recognized as truly independent. The following commitments support our fourth priority: to become a model organization for human and financial resources management.

The PSC's management of resources is integrated and effective

To fulfill its mandate, the PSC must function as independently as possible. Our plans, therefore, include pursuing more independent funding mechanisms and HR management processes, similar to those held or being considered for agents of Parliament. Our dedicated parliamentary function is also part of the PSC's proactive approach in seeking opportunities to engage Parliament and to reposition itself as a new organization with a new mandate.

The PSC has successfully integrated business and strategic planning, HR and information technology planning, resources management, and performance monitoring. The PSC will continue to internally reallocate resources to meet pressing needs and enhance the performance measurement strategy by finalizing indicators and targets. Incremental progress is being achieved in advancing a PSC corporate risk profile as part of the 2006-2007 planning cycle. The PSC will continue to look for opportunities to systematically integrate the various levels of risk analysis conducted within the organization.

Integrated resource management is critical for decision making - not only for setting direction, but also for making course corrections and resource reallocation as required. The implementation of an improved budgeting and resource allocation process following zero-based budgeting principles and approaches is key to ensuring transparent planning and reporting on results. The PSC is benchmarking its corporate services to better understand how the resources we use to deliver these services compare with those in similar organizations.

Managing information resources is as important as managing financial and human resources. The PSC will finalize its three-year strategy to achieve full compliance with Management of Government Information Policy and sound information management practices, including the gradual implementation of a Records and Document Information Management System (RDIMS).

Audited financial statements will now be included in the PSC's financial framework, as well as in the 2005-2006 Departmental Performance Report. The PSC has also developed an approach to implementing the new Treasury Board Secretariat (Office of the Comptroller General) policy for internal audit, with the specific goal of implementing the new policy early and adapted to meet our unique circumstances. We are also building a strong and effective evaluation function.

The PSC's HR plan reflects business needs and strong people management practices

The work of the PSC depends on the quality and dedication of its people. We continue to face strong challenges in finding and retaining talented staff to ensure the sustainability of our workforce so that we can meet our current and future needs. Therefore, it is essential that we remain strongly committed to our employees. By integrating HR planning into our operational planning process, we have established a foundation for assessing and understanding our current and future needs, and for mitigating the risks associated with an aging workforce, turnover, skill gaps, etc. We will continue to implement enhanced and rigorous integrated planning processes to help identify optimal strategies and initiatives related to recruitment, retention, learning, development, succession and employment equity.

In 2006-2007, the PSC will continue to focus on the following areas:

- further integration of HR and operational planning to enhance decision-making and benefit from PSMA flexibilities;
- investment in building our human resources and leadership capacity through training, recruitment, staffing and retention; and
- placement of employees in transition.

Key Commitment: The PSC's management of resources is integrated and effective.

EXPECTED RESULTS & PERFORMANCE INDICATORS	PLANS
Expected Result: The PSC's resource management is integrated, effective, consistently improved and aligned with departmental priorities. **Performance indicator 1:** Regular and accurate year-end forecasts and variance reporting and reasonable history of carry-forwards and lapses. **Performance Indicator 2:** Implementation of Management of Government Information (MGI) Policy based on revised information management capacity check. **Performance Indicator 3:** Governance structure and level of resources in place to implement internal audit policy.	• Implement zero-based budgeting process linked to Program Activity Architecture; • Establish rigorous procedures to review and challenge financial forecasts and plans through an integrated operational planning process; • Integrate the various levels of risk analysis conducted within the PSC; • Continue benchmarking our corporate services; • Prepare audited financial statements; • Begin a three-year information management strategy including RDIMS implementation; • Implement TBS policy for internal audit within the PSC;
Performance Indicator 4: Expected results and performance indicators reviewed and updated.	• Enhance the performance measurement strategy by finalizing indicators and targets;

Performance Indicator 5: Risk-based evaluation plan developed and actioned.	and • Continue building an effective PSC evaluation function.

Key Commitment: The PSC's HR plan reflects business needs and strong people management practices.

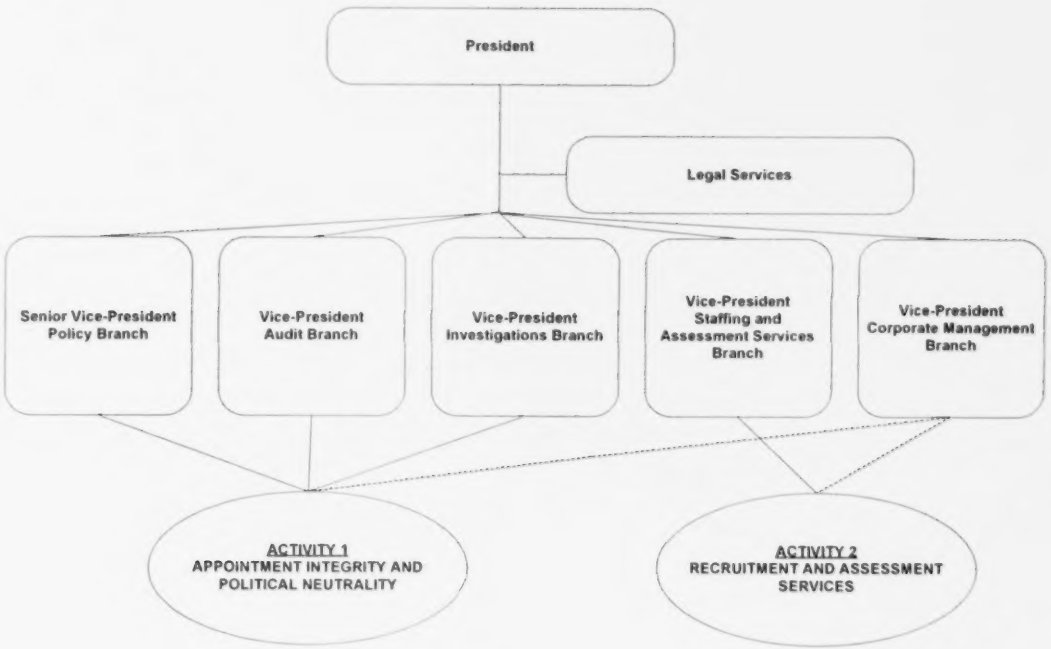
EXPECTED RESULT & PERFORMANCE INDICATORS	PLANS
Expected Result: The PSC has the necessary people, capacity and leadership to deliver results. **Performance Indicator 1:** A well-developed and rigorous HR planning process integrated with business planning. **Performance indicator 2:** A workforce that is representative, productive, sustainable and adaptable. **Performance Indicator 3:** Delegation instruments, policies, procedures and accountability framework in place to support the implementation of the new PSEA.	• Develop an action plan to address results of the 2005 Public Service Employee Survey; • Enhance our integrated HR and business planning; • Implement recruitment mechanisms programs and strategies to increase our resourcing capacity (e.g. pools); • Develop and implement the PSC learning and policy strategy; • Implement measures and developmental programs to support and enhance leadership capacity; • Continue implementing the Office of Conflict Management, including initiatives related to the Values and Ethics Code for the Public Service; and • Finalize the implementation of PSEA and related policies, delegations and procedures.

SECTION III - SUPPLEMENTARY INFORMATION

ORGANIZATIONAL INFORMATION AND ACCOUNTABILITY

The Public Service Commission (PSC) is an independent agency reporting to Parliament on matters under its jurisdiction. The Commission consists of a president and two or more part-time commissioners appointed for a maximum period of seven years. The president and the commissioners are appointed by the Governor in Council. The appointment of the President shall be made under the Great Seal after approval by the Senate and the House of Commons. The President's position is currently held by Maria Barrados; the two Commissioner positions are held by Manon Vennat and David Zussman. The President is the Chief Executive Officer and is accountable to the Commission under the *Public Service Employment Act* (PSEA). She is also accountable to the Minister of Canadian Heritage for specific duties and responsibilities under the *Financial Administration Act*.

Five branches headed by vice-presidents support the President in her role as Chief Executive Officer and contribute to the achievement of the PSC's strategic outcome. An organization chart outlining the PSC's internal structure and accountability is presented below.



The **Senior Vice-President, Policy** carries out key policy development and oversight functions in support of the PSEA. The Senior Vice-President is accountable for: the interpretation, application and development of policies under the PSEA, including aspects related to equity and diversity and the political activities of public servants; negotiating, monitoring and evaluating the way deputy heads exercise their delegated staffing authorities and recommending corrective action as needed; managing the administration of priority entitlements; contributing to the future-oriented vision of the PSC as an independent agency and developing strategic policy frameworks; managing the development of the PSC's annual report; coordinating with central agencies and departments the full implementation of the PSEA.

The **Vice-President, Audit** conducts public service-wide independent audits and studies to provide objective information, advice and assurance to Parliament, and ultimately Canadians, about the integrity of the appointment process, including the protection of merit and non-partisanship. In addition, the Vice-President, Audit, provides appointment data and analysis in support of the PSC's oversight role and information needs of departments and agencies.

The **Vice-President, Investigations** conducts investigations and promotes the use of alternative dispute resolution methods. She is mandated to conduct several types of investigations related to external appointment processes; non-delegated internal appointment processes; allegations of politically influenced appointments and fraud; improper political activities; and, at the request of deputy heads, investigations of internal appointment processes. In addition, the Vice-President, Investigations, conducts appeal hearings and investigations related to selection and staffing processes that were initiated under the old PSEA.

The **Vice-President, Staffing and Assessment Services** develops, implements and delivers recruitment, staffing and assessment systems, programs, services and products for use across the public service; provides delegated recruitment services to all our clients and delegated staffing services to organizations (under the non-delegated and delegated authorities) which require our services, or who have lost all or part of their delegation as a result of a PSC oversight activity; and develops and implements service strategies, policies and structures.

The **Vice-President, Corporate Management** develops and monitors corporate management planning frameworks and policies related to the management accountability framework, finance, human resources management, information technology, communications and other administrative and support services; provides central services and systems in support of all PSC programs, including the offices of the President and Commissioners; and formulates and implements policies, plans, guidelines, standards, processes and procedures to support the decision-making process of the Commission.

KEY PARTNERS AND RELATIONSHIPS

The PSC works collaboratively with the following major organizations and stakeholders:

- **Parliament**, to which we are accountable for the overall integrity of the appointment system and the political neutrality of the public service, through regular and special reports, including those related to audit findings; appearances before committees; and direct communication with members when required. Additionally, we maintain our capacity to independently interpret and exercise our powers in the best interests of Canadians.

- **Deputy heads, managers and human resources specialists**, who, together with the PSC, are responsible for creating a modernized human resources management system for the benefit of Canadians. Following extensive formal and informal consultation throughout fiscal year 2005-2006, the PSC provided departments and agencies with support and a range of learning tools during the transition to the new PSEA to ensure effective, streamlined service delivery as part of our overall rollout strategy. We consulted with other government agencies and stakeholders that have responsibilities and interests in the appointment system. These include the Public Service Human Resources Management Agency of Canada and the Canada School of Public Service.

- **Employer and bargaining agents**, with whom we consult on issues of mutual interest under the new PSEA.

- **Other parties, including**:

  ✓ **Academics and external experts**, to develop effective and innovative practices under the Appointment Framework, to strengthen the PSC's approach to oversight, and to develop a new regime for the political activities of public servants;

  ✓ **Public Service Commission Advisory Council**, where we participate in regular meetings with departments and bargaining agents to discuss issues and receive advice related to the PSC's responsibilities under the new PSEA; and

  ✓ **Human Resources Modernization Implementation Deputy Minister and Union-Management Advisory Committee Structure**, to discuss issues of common interest.

TABLE 1 : DEPARTMENTAL PLANNED SPENDING AND FULL TIME EQUIVALENTS

($ thousands)	Forecast Spending 2005-2006	**Planned Spending 2006-2007**	Planned Spending 2007-2008	Planned Spending 2008-2009
By Program Activity				
Appointment Integrity and Political Neutrality	43,499	**47,821**	48,584	48,584
Recruitment and Assessment Services	45,028	**64,196**	43,472	43,261
Budgetary Main Estimates (Gross)	88,527	**112,017**	92,056	91,845
Less: Respendable Revenue (Note 1)		**6,000**		
Total Main Estimates	88,527	**106,017**	92,056	91,845
Adjustments				
Public Service Resourcing System				
Recruitment and Assessment Services		**(763)**	5,383	5,037
Procurement Savings				
Appointment Integrity and Political Neutrality	(40)	**(202)**		
Recruitment and Assessment Services	(40)	**(258)**		
Internal Realignment				
Appointment Integrity and Political Neutrality		**(6,100)**	(6,203)	(6,203)
Recruitment and Assessment Services		**6,100**	6,203	6,203
Governor General Special Warrants				
Operating Budget Carry-Forward	3,931			
Funding to modernize human resources management in the federal public service (PSMA)	9,012			
Funding for severance, parental leave, vacation upon separation	2,787			
Collective Bargaining Agreements	4,111			
Special Purpose Allotment - Devinat	(125)			
Adjustment entry to reconcile to actual expenditures as per Public Accounts (including Contribution to Employee Benefit Plans)	(4,176)			
Total Adjustments	15,460	**(1,223)**	5,383	5,037
Total Planned Spending	103,987	**104,794**	97,439	96,882
Less: Non-Respendable Revenue	4,795	-	-	-
Plus: Cost of Services Received Without Charge	16,909	**14,712**	14,286	14,294
Total PSC Spending (Note 2)	116,101	**119,506**	111,725	111,176
Full-Time Equivalents	932	**1,026**	1,055	1,057

Note 1: The PSC plans to seek continued authority to respend revenues from Assessment and Counselling Services and Products for 2007-2008 and beyond.

Note 2: Changes in the Total Planned Spending figures from 2006-2007 to 2007-2008 are mainly attributable to the difference in the yearly funding for the continuation of work on the interim recruitment system solution (PSRS) in support of PSMA and NAoS.

TABLE 2 : RESOURCES BY PROGRAM ACTIVITY

2006-2007					
Program Activity	Budgetary		**Total Main Estimates**	Adjustments (Planned Spending not in Main Estimates)	**Total Planned Spending**
	Operating	Respendable Revenue			
Activity 1	47,821		**47,821**	(6,302)	**41,519**
Activity 2	64,196	(6,000)	**58,196**	5,079	**63,275**
Total	112,017	(6,000)	**106,017**	(1,223)	**104,794**

Activity 1 : Appointment Integrity and Political Neutrality
Activity 2 : Recruitment and Assessment Services

TABLE 3 : VOTED AND STATUTORY ITEMS

Vote or Statutory Item	Truncated Vote or Statutory Wording (Note 1)	**2006-2007 Main Estimates**	2005-2006 Main Estimates
95	Program Expenditures	**92,949**	76,791
(S)	Contribution to Employee Benefit Plans	**13,068**	11,736
	Total Voted and Statutory Items (Note 2)	**106,017**	88,527

Note 1: Reflects the vote number and vote wording as approved by Parliament for 2005-2006. The vote wording has been modified in 2006-2007 as a result of the PSC being granted authority to respend revenue.

Note 2: The difference between 2005-2006 and 2006-2007 Main Estimates is principally due to funding for the continuation of work on the interim recruitment system solution in support of PSMA and NAoS as well as collective agreement compensation.

TABLE 4 : SERVICES RECEIVED WITHOUT CHARGE

($ thousands)	**2006-2007**
Accommodation provided by Public Works and Government Services Canada	**8,916**
Contributions covering the Employer's share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds); Employer's contribution to employees' insured benefits plans and expenditures paid by TBS	**5,244**
Workers' compensation coverage provided by Human Resources and Skills Development Canada	**115**
Salary and associated expenditures of legal services provided by the Department of Justice Canada	**437**
Other	-
Total 2006-2007 Services received without charge	**14,712**

TABLE 5 : SOURCES OF RESPENDABLE AND NON-RESPENDABLE REVENUE

Respendable Revenue

($ thousands)	Forecast Revenue 2005-2006	**Planned Revenue 2006-2007**	Planned Revenue 2007-2008	Planned Revenue 2008-2009
Recruitment and Assessment Services				
Assessment and Counselling Services and Products (Note 1)		**6,000**		
Total Respendable Revenue		**6,000**		

Non-Respendable Revenue

($ thousands)	Forecast Revenue 2005-2006	**Planned Revenue 2006-2007**	Planned Revenue 2007-2008	Planned Revenue 2008-2009
Recruitment and Assessment Services				
Assessment and Counselling Services and Products (Note 1)	4,795			
Total Non-Respendable Revenue	4,795			
Total Respendable and Non-Respendable Revenue	4,795	**6,000**		

Note 1: Revenue from Assessment and Counselling Services and Products provided to other federal government departments and agencies under the PSC's jurisdiction and extended jurisdiction. The PSC had obtained approval to respend revenue during 2005-2006. This authority, however, was not promulgated for 2005-2006 due to the federal election call and the dissolution of Parliament. The actual revenues collected as reflected above, were therefore returned to the Consolidated Revenue Fund (CRF). For 2006-2007, the PSC has authority to respend revenue and plans to seek continued authority for 2007-2008 and beyond.

TABLE 6 : RESOURCE REQUIREMENTS BY BRANCH

	2006-2007		
($ thousands)	Appointment Integrity and Political Neutrality	Recruitment and Assessment Services	**Total Planned Spending**
Policy	13,802		**13,802**
Audit	8,134		**8,134**
Investigations	6,686		**6,686**
Services		46,860	**46,860**
Corporate Management	12,450	15,845	**28,295**
Commissioners' Office	447	570	**1,017**
Total	41,519	63,275	**104,794**

TABLE 7 : INTERNAL AUDITS AND EVALUATIONS

The PSC has an established a: internal audit function, with its activities framed by professional standards and Treasury Board Secretariat policies. The PSC has its own internal audit policy, governed through the Internal Audit and Evaluation Committee (IAEC). The PSC posts its audit plan and all completed audits on its Web site at:
http://www.psc-cfp.gc.ca/centres/internal_audits/index_e.htm

For 2005-2006, the Committee had approved three audits: Cost-Recovery; Test Management Controls; and Contracting Follow-up. The first two are posted on the Web site, and the third is being prepared for posting. The first two audits outlined a number of matters requiring prompt attention; management provided comprehensive action plans, which were included as part of the audit reports. Implementation of these action plans is proceeding well.

Some audits approved in the 2005-2006 Internal Audit Plan are not yet complete. Estimated completion dates of upcoming reports are: e-Resourcing Project Expenditures (winter 2006); HR Readiness (spring 2006); Readiness for the External Audit of the PSC's Financial Statements (summer 2006); and Expenditure Management Controls (summer 2006). Both the HR Readiness audit and Readiness for the External Audit of the PSC's Financial Statements are multi-phase audits of the implementation of new processes. As well, one system-under-development audit is still being planned. The actual posting dates of these audits will depend on when they are approved by the IAEC, whose membership and processes are undergoing change in response to TBS's new Internal Audit Policy. The PSC is establishing its internal evaluation function to report on program results. This function was staffed in 2005-2006, and a plan is being readied for approval by the IAEC.

SECTION IV - OTHER ITEMS OF INTEREST

CORPORATE RISK PROFILE AND CHALLENGES

The Public Service Commission (PSC) faces some significant risks and challenges in implementing a modernized staffing system. This table summarizes the risks and challenges emerging from both our external and internal environments. The table includes an assessment of the extent of the risk and challenge, a description of the potential impacts, and the strategies and plans the PSC will adopt in response.

RISKS	ASSESSMENT	IMPACTS	STRATEGIES
External Environment			
Insufficient capacity in HR community and engagement of line managers to take full advantage of new PSEA.	• Significant lack of skilled HR specialists brought about by forecast retirements and long-standing high mobility in community. • Government transition and new policy agenda competing for managers' attention - limiting "room" to take on expanded PSEA roles.	• Continuing significant demands for PSC guidance on the new PSEA, as well as support and training. • Continued demand for PSC recruitment and assessment services and new demands for investigation services. • Opportunities for flexibility and innovation under new PSEA not realized. • Potential to recreate old staffing system. • High expectations for immediate improvements to the staffing system not fully realized - potential cynicism about HR reforms.	• Continue to offer guidance and support during transition to full PSEA implementation. • Continue to monitor progress on implementation and adjust/develop PSC support activities and services as required. • Continue to support capacity-building in HR community, knowledge of the PSC Appointment Framework, and sharing of new practices. • Continue to support learning for managers.
Making accountability work in a delegated staffing system.	• High expectations for increased accountability and controls. • Uneven implementation of accountability frameworks in departments and agencies.	• Uneven adherence to staffing values -- potential for misuse of flexibilities and abuse of authorities in staffing processes. • Lack of HR planning consistent with new definition of merit.	• Manage staffing system expectations and ensure managers understand the values and undertake HR planning. • Continue to articulate PSC expectations under Appointment Framework through a variety of media/fora.

RISKS	ASSESSMENT	IMPACTS	STRATEGIES
	• Proliferation and incompatibility of HR tools and systems. • Uneven reporting capacity by departments and agencies to deputy heads and to the PSC.	• Increased accountability and controls could limit risk-taking and innovation under new PSEA. • Lack of or inconsistent compliance with the PSC oversight requirements could affect the PSC's accountability to Parliament.	• Monitor adherence to the values, provide regular and timely feedback; work with departments to address irregularities. • Promote more harmonized HR information systems to support PSEA requirements. • Work with central agencies to integrate and streamline reporting demands. • Validate and assess effectiveness of Appointment Framework elements and adjust as required.
Ineffective response to service needs of clients in new PSEA environment.	• Continued high demand for Staffing and Assessment Services Branch services and for more efficient and simpler services. • Possible loss of clients if services not provided as requested (quality, timeliness). • Potential over longer term for competition from other service providers.	• Continued high demand for current services limits Staffing and Assessment Services Branch capacity to develop new state-of-the-art recruitment and assessment services. • State-of-the-art services essential for engagement and cultural change required by new PSEA. • Multiple changes impacting Staffing and Assessment Services Branch (new PSEA, new technologies, reorganization), hinders capacity to take on transformation requirements.	• Develop and implement new service vision. • Standardize service levels to ensure highest quality of service across Canada. • Continue to transform and integrate recruitment and assessment programs, develop innovative, wide-ranging new services and e-resourcing tools. • Better communicate current services and plans for new services to clients (Canadians, delegated managers). • Re-orient Staffing and Assessment Services Branch focus and staff roles to support implementation of new service vision.

Internal Environment

RISKS	ASSESSMENT	IMPACTS	STRATEGIES
Delayed implementation of e-resourcing technology to re-engineer staffing and recruitment processes.	• Slow implementation. • Need to ensure continuing government-wide buy-in and support. • Need to maintain sufficient internal capacity to deliver e-resourcing.	• Delayed transition to modernized staffing system. • Slowed implementation of new National Area of Selection policy. • Competitiveness of public service as employer of choice compromised.	• Vigorously promote e-resourcing technology, integrate with other service innovations, and continue to seek support for project. • Offer learning and training sessions on e-resourcing technology. • Further extend areas of selection in a targeted way. • Secure longer-term funding.
Inability to maintain capacity to realign resources with planned activities and priorities. Inability to obtain authority to cost recover and to respend revenue in a timely manner.	• Improved budgeting and forecasting will take two to three years. • Possible delays in obtaining authority to respend revenue.	• Unrealistic financial requirements and forecasts would prevent optimal resource allocation and budget utilization. • A total of up to $6M may be returned to the CRF in 2005-2006 if authority to respend revenue is not approved, possibly limiting the PSC's carry forward amount (maximum of $3.8M) for 2006-2007.	• Continue the implementation of an improved budgeting and resource allocation process following zero-based budgeting principles and approach. • Implement rigorous procedures to review and challenge financial and HR forecasts and plans through an integrated operational planning process. • Discuss/negotiate with TBS to identify other funding arrangements or solutions to protect the PSC's carry forward.

RISKS	ASSESSMENT	IMPACTS	STRATEGIES
Clarity of the PSC's multiple roles during transition.	Lack of understanding of the PSC roles as auditor, investigator, interpreter, supporter and service provider.	• Loss of credibility with departments, agencies, HR community and other stakeholders. • Potential for inefficiencies if branches work at cross-purposes. • Lessening in effectiveness of the PSC oversight role. • Weakening of efforts to solidify PSC independence.	• Fully articulate and implement elements of oversight vision, including audits and investigations as well as support and services. • Clearly define and communicate the PSC's position within government. • Articulate different roles and branch functions. • Improve two-way communications across branches to ensure each is supporting the others, in particular for interactions with departments.
Inability to obtain independent funding approval.	• Conflict inherent in conducting oversight of organization that approves PSC budget.	• Perception of reduced independence.	• Pursue discussions with Parliament and TBS to obtain independent funding mechanism.
Ineffective succession planning and human resources strategies to meet resourcing needs of the PSC.	• High executive and staff turnover. • Over-reliance on internal staffing and insufficient external recruitment (i.e. lack of programs for PE recruitment).	• Lack of human resources to meet the future leadership and other resourcing needs of the PSC. • Diminished opportunities for career growth and development. • Lack of corporate memory.	• Implement more rigorous, corporate-wide HR planning process. • Develop knowledge retention strategies. • Build staff capacities and competencies in critical new PSEA areas (audits, investigations). • Embrace flexibility in the new PSEA, including the use of collective staffing processes.

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Information on the Public Service Commission may be obtained at: http://www.psc-cfp.gc.ca/

Supplementary information on Planned Spending for the Public Service Staffing Modernization Project can be found at: http://www.tbs-sct.gc.ca/est-pre/20062007/p3a_e.asp.

COMMON ACRONYMS

Acronyms	Description
ADAI	Appointment Delegation and Accountability Instrument
CSPS	Canada School of Public Service
DPR	Departmental Performance Report
EMR	Expenditure Management Review
ERC	Expenditure Review Committee
FTE	Full-Time Equivalents
HR	Human Resources
IAEC	Internal Audit and Evaluation Committee
MRRS	Management Resources and Results Structure
PAA	Program Activity Architecture
PSC	Public Service Commission
PSEA	*Public Service Employment Act*
PSHRMAC	Public Service Human Resources Management Agency of Canada
PSMA	*Public Service Modernization Act*
PSST	Public Service Staffing Tribunal
PSRS	Public Service Resourcing System
TBS	Treasury Board Secretariat